

As required by the United Kingdom's Equality Act 2010 (Gender Pay Gap Information), Emerson has publicly reported the gender pay gap data for Emerson Process Management Ltd, our employing entity in the UK that meets the threshold for this reporting.

Emerson is committed to providing equal pay for equal work. While we are confident our operations in the UK are paying workers comparably by role, regardless of gender, we have a gender pay gap because proportionately more men are in engineering and senior management roles that receive higher pay. The long-standing industry demographics and workplace tendencies that have led to gender pay gaps across the industrial sectors in which we operate, including the oil and gas industry, also apply to Emerson. This is a situation that Emerson and other industrial companies, especially those that employ people with engineering degrees, are working to address.

The report that follows summarises this gender pay gap data and provides context and background on the demographic realities that confront our company and the industrial and manufacturing sectors we operate in. We also highlight the steps our company has taken in the UK and globally to ensure equal opportunities exist for women and men across the business, and to help close the gender pay gap.

Statutory Disclosure

Emerson has reported the gender pay gap data for Emerson Process Management Ltd in the UK, which is part of our Emerson Automation Solutions global business.

Emerson Process Management Ltd consisted of 544 employees as of April 2017 (445 men, 99 women).

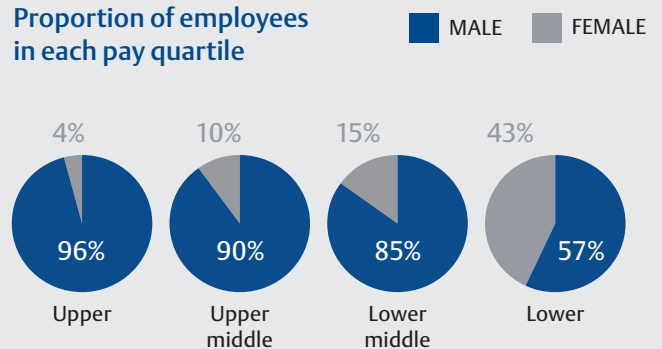
Emerson Process Management Ltd

The following data for this business as of April 2017 has been published on the UK government website:

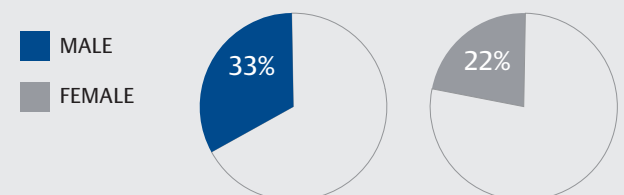
Difference in Hourly Pay and Bonus Pay (female employees compared to male employees)

	Mean	Median
Gender Hourly Pay Gap	30.7% lower	32.9% lower
Gender Bonus Gap	40% lower	43% lower

Proportion of employees in each pay quartile



Proportion of employees receiving a bonus



Emerson has several other employing companies in the UK that do not meet the size threshold for reporting (250 employees or more). However, our diversity and inclusion policies apply across all Emerson businesses, regardless of their business segment, size, or location.

Our Policy

It is Emerson's policy to recruit, hire, train, and promote people in all job classifications without regard to race, colour, religion, gender, sexual orientation, gender identity, national origin, disability, age, marital status, or genetic information.

It is our policy and our practice that this equal employment opportunity be present in all aspects of employment, including but not limited to compensation, benefits, promotions, transfers, company-sponsored training, tuition assistance, and education.

Challenges to Address

Emerson's gender pay gap reflects the challenges faced by many organisations where the industries in which they operate have traditionally attracted men. What's more, this historic legacy means that there are more men in senior positions, which carry higher salaries, and therefore increase the overall gender pay gap.

Change will take time due to the labour market situation. Emerson employs a large number of individuals with engineering degrees to drive our technology innovation initiatives and to support our customers in the process and discrete manufacturing sectors. According to the Institution of Engineering and Technology (IET)'s 2015 skills survey, only 9% of the engineering and technology workforce in the UK are female, which creates challenges when trying to increase women engineer hires.

At present, the pipeline of talented engineers falls short of industry demand across both sexes – a gap of around 20,000 annually in the UK alone. This is in part due to a failure to attract more females into STEM and engineering careers at the grass-roots level. As it stands, boys are over three times more likely to study A-level physics than

girls, and five times more likely to gain an engineering and technology degree. In order to move forward as an industry, this is an issue that needs to be addressed at the source: primary, secondary and tertiary education.

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The UK's impending exit from the European Union also has the potential to impact graduate recruitment across engineering and other sectors, yet it is currently unclear to what extent. Our HR managers are trained to recruit the most talented people while ensuring there is no bias and will continue to do so, regardless of political flux.

The company also understands the complexity of progress and the need for a more holistic approach and sustained action to raise the boardroom profile of issues such as: gender bias in career pathways, women in leadership, the pay and career progression impact of family leave, and the gender impact of wider working culture – which all contribute to the gender pay gap and may not be identified or addressed through equal pay measures.

Actions Being Taken

Emerson is committed to making the company a more diverse and inclusive organisation at all levels. We are also working to ensure opportunities are available for the next generation of women and men to pursue – and succeed in – STEM careers at our company and across the industries we operate in. Our recent actions, ongoing activities and progress include:

Prioritise

Under the leadership of Chairman and CEO David Farr, the company established the Emerson Diversity Council in 2013. This group, comprised of senior leaders from Emerson corporate and our business platforms, helps set direction and provide oversight on diversity and inclusion initiatives. In 2016, the diversity council prioritised and undertook several activities, including: conducted research and sharing of best practices, identified diversity training on unconscious bias as a priority, and supported the establishment of Emerson Women in STEM as a company-sanction employee resources group.

Governance

Emerson has increased female representation on its Global Board of Directors. Our nine-member Global Board of Directors currently has two female members appointed in 2014 and 2017, respectively. Their business knowledge and experience provide the company with a diversity of viewpoints to better understand and anticipate changes in the business environment and society.

Hiring and Promotions

Emerson is making progress in hiring and promoting more women into management roles, and our promotions are matched with pay rises. Of our existing UK workforce during 2017, 9% of the female workforce received promotions, compared to 5% of the male workforce. All promotions were based on merit.

Support

Emerson has endorsed the formation of Emerson Women in STEM, a global employee resource group that provides networking, professional development, and volunteer/mentor opportunities for our company's female employees in engineering and other professional roles in the company. Emerson Women in STEM, launched by Emerson women employees in the United States in 2013, began organising local groups in Europe in 2016, including the UK.

- In addition, Emerson is a corporate sponsor of the Society of Women Engineers, a U.S.-based not-for-profit educational and service organisation that is working globally to establish engineering as a highly desirable career for women.

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Educate Internally

In 2017, Emerson CEO David Farr pledged the company's commitment to the goals of the CEO Action for Diversity & Inclusion™ initiative. The three initial goals of this global initiative are: making our workplaces trusting places to have complex and sometimes difficult conversations about diversity and inclusion; implementing and expanding unconscious bias education; and sharing best – and unsuccessful – practices.

- The company began unconscious bias workshops for leadership teams in 2016. These workshops were expanded globally in 2017 and are continuing in 2018, with a number of workshops held, to date, to reach our UK managers and business leaders.

Inspire Externally

The company's award-winning 'We Love STEM' global campaign, launched in 2015, has the aim of inspiring young women and men to pursue future career opportunities in STEM fields. Our goal is to help today's youth understand the important role the STEM disciplines play in modern life and to increase awareness of the many career paths available, including for women, in the manufacturing and industrial sectors.

- As part of the 'We Love STEM' initiative, Emerson personnel either visit local schools or host visits by students at our facilities to learn more about STEM careers. In 2016/2017, Emerson UK personnel held 450 STEM conversations with school children and 35 of our employees served as STEM ambassadors, including at the Derby Big Bang Fair, the North West Big Bang Fair and the Sir Frank Whittle school.

In 2015, 2016, and 2017, Emerson was ranked by *Woman Engineer* magazine as being among the "Top 50 Employers" in the United States

- In Aberdeen, Scotland, Emerson personnel have participated in "Maths in the Pipeline" events in 2016 and 2017 which is hosted by Emerson employees and supported by a charity called TechFest who are an organisation which promotes STEM to young people. The Maths in the Pipeline event is designed to give S4 pupils insights into how mathematics applies to real-life situations within the oil and gas industry.

Recognition and Partnerships

- *Woman Engineer* Magazine. In 2015, 2016, and 2017, Emerson was ranked by *Woman Engineer* magazine as being among the "Top 50 Employers" in the United States for which women engineers would most like to work or whom they believe would provide a positive working environment.
- Society of Women Engineers (SWE). Emerson is a corporate partner of this US-based international organisation dedicated to the advancement of women engineers, and Emerson's women engineers regularly participate in its annual conference.

Our Commitment

Emerson globally and in the UK has been and remains committed to recruiting and retaining the best talent available for all of its vacancies. At the same time, we are also seeking to make Emerson a more diverse and inclusive organisation at all levels. Our end goal is to create a culture of inclusion which enables a level playing field of career development opportunities and rewards for men and women.

We truly believe that women can have better representation in Emerson and in the industry as a whole through better recruitment efforts and retaining and developing existing female talent into leadership roles. We pledge to work harder as a business – and as part of the wider industry – to ensure this happens.

I confirm the gender pay gap data contained in this report for Emerson Process Management Ltd in the UK is accurate.



Stuart Brown

Vice President and General Manager - United Kingdom and Ireland,
Emerson Process Management Ltd